

AMENDED IN ASSEMBLY APRIL 22, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1031

Introduced by Assembly Member Blumenfield

February 27, 2009

An act to *add and repeal Section 14965 of the Government Code, and to amend Section 2830 of the Public Utilities Code, relating to energy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1031, as amended, Blumenfield. ~~Local government renewable energy self-generation program.~~ *Renewable energy.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law authorizes a local government, as defined, to receive a bill credit, as defined, to a designated benefitting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefitting account. The existing definition of a local government excludes a joint powers authority, the state, and any agency or department of the state.

This bill would *clarify the existing definition of a local government by including a community college district and would revise the definition of a local government to include an individual campus of the University of California or the California State University and a joint powers authority or agency.*

Existing law provides that there is in the Department of General Services a State Architect who has general charge, under the Department of General Services, of the erection of all state buildings.

This bill would require the State Architect, on or before July 1, 2010, to prepare a report on the barriers to schools to installing solar or other renewable energy systems that contains recommendations for removing those barriers. The bill would also require that, in preparing the report, the State Architect consult with the Public Utilities Commission regarding barriers to school participation in the California Solar Initiative and recommendations for removal of those barriers.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14965 is added to the Government Code,
2 to read:

3 14965. (a) On or before July 1, 2010, the State Architect shall
4 prepare a report on the barriers to schools to installing solar or
5 other renewable energy systems. The report shall contain
6 recommendations for removing those barriers. In preparing the
7 report, the State Architect shall consult with the Public Utilities
8 Commission regarding barriers to school participation in the
9 California Solar Initiative and recommendations for removal of
10 those barriers.

11 (b) This section shall remain in effect only until January 1, 2011,
12 and as of that date is repealed, unless a later enacted statute, that
13 is chaptered before January 1, 2011, deletes or extends that date.

14 SECTION 1.

15 SEC. 2. Section 2830 of the Public Utilities Code is amended
16 to read:

17 2830. (a) As used in this section, the following terms have the
18 following meanings:

19 (1) “Benefiting account” means an electricity account, or more
20 than one account, located within the geographical boundaries of
21 a local government, that is mutually agreed upon by the local
22 government and an electrical corporation.

23 (2) “Bill credit” means an amount of money credited to a
24 benefiting account that is calculated based upon the time-of-use
25 electricity generation component of the electricity usage charge
26 of the generating account, multiplied by the quantities of electricity
27 generated by an eligible renewable generating facility that are
28 exported to the grid during the corresponding time period.

1 Electricity is exported to the grid if it is generated by an eligible
2 renewable generating facility, is not utilized onsite by the local
3 government, and the electricity flows through the meter site and
4 on to the electrical corporation’s distribution or transmission
5 infrastructure.

6 (3) “Eligible renewable generating facility” means a generation
7 facility that has a generating capacity of no more than one
8 megawatt, is an eligible renewable energy resource pursuant to
9 the California Renewables Portfolio Standard Program, is located
10 within the geographical boundary of, and is owned, operated, or
11 on property under the control of, the local government, and is sized
12 to offset all or part of the electrical load of the benefiting account.
13 For these purposes, premises that are leased by a local government
14 are under the control of the local government.

15 (4) “Generating account” means the time-of-use electric service
16 account of the local government where the eligible renewable
17 generating facility is located.

18 (5) “Local government” means a city, county, whether general
19 law or chartered, city and county, special district, school district,
20 *community college district*, political subdivision, or other local
21 public agency, elects a joint powers authority or agency created
22 pursuant to Chapter 5 (commencing with Section 6500) of Division
23 7 of Title 1 of the Government Code, if authorized by law to
24 generate electricity, or an individual campus of the University of
25 California or the California State University, but shall not mean
26 the state or any agency or department of the state, other than a
27 campus of the University of California or the California State
28 University.

29 (b) Subject to the limitation in subdivision (h), a local
30 government may elect to receive electric service pursuant to this
31 section, if all of the following conditions are met:

32 (1) The local government designates one or more benefiting
33 accounts to receive a bill credit.

34 (2) A benefiting account receives service under a time-of-use
35 rate schedule.

36 (3) The benefiting account is the responsibility of, and serves
37 property that is owned, operated, or on property under the control
38 of the same local government that owns, operates, or controls the
39 eligible renewable generating facility.

1 (4) The electrical output of the eligible renewable generating
2 facility is metered for time of use to allow calculation of the bill
3 credit based upon when the electricity is exported to the grid.

4 (5) All costs associated with the metering requirements of
5 paragraphs (2) and (4) are the responsibility of the local
6 government.

7 (6) All costs associated with interconnection are the
8 responsibility of the local government. For purposes of this
9 paragraph, “interconnection” has the same meaning as defined in
10 Section 2803, except that it applies to the interconnection of an
11 eligible renewable generating facility rather than the energy source
12 of a private energy producer.

13 (7) The local government does not sell electricity exported to
14 the electrical grid to a third party.

15 (8) All electricity exported to the grid by the local government
16 that is generated by the eligible renewable generating facility
17 becomes the property of the electrical corporation to which the
18 facility is interconnected, but shall not be counted toward the
19 electrical corporation’s total retail sales for purposes of Article 16
20 (commencing with Section 399.11) of Chapter 2.3 of Part 1.
21 Ownership of the renewable energy credits, as defined in Section
22 399.12, shall be the same as the ownership of the renewable energy
23 credits associated with electricity that is net metered pursuant to
24 Section 2827.

25 (c) (1) A benefiting account shall be billed for all electricity
26 usage, and for each bill component, at the rate schedule applicable
27 to the benefiting account, including any cost-responsibility
28 surcharge or other cost recovery mechanism, as determined by the
29 commission, to reimburse the Department of Water Resources for
30 purchases of electricity, pursuant to Division 27 (commencing
31 with Section 80000) of the Water Code.

32 (2) The bill shall then subtract the bill credit applicable to the
33 benefiting account. The generation component credited to the
34 benefiting account may not include the cost-responsibility
35 surcharge or other cost recovery mechanism, as determined by the
36 commission, to reimburse the Department of Water Resources for
37 purchases of electricity, pursuant to Division 27 (commencing
38 with Section 80000) of the Water Code. The electrical corporation
39 shall ensure that the local government receives the full bill credit.

1 (3) If, during the billing cycle, the generation component of the
2 electricity usage charges exceeds the bill credit, the benefiting
3 account shall be billed for the difference.

4 (4) If, during the billing cycle, the bill credit applied pursuant
5 to paragraph (2) exceeds the generation component of the electricity
6 usage charges, the difference shall be carried forward as a financial
7 credit to the next billing cycle.

8 (5) After the electricity usage charge pursuant to paragraph (1)
9 and the credit pursuant to paragraph (2) are determined for the last
10 billing cycle of a 12-month period, any remaining credit resulting
11 from the application of this section shall be reset to zero.

12 (d) The commission shall ensure that the transfer of a bill credit
13 to a benefiting account does not result in a shifting of costs to
14 bundled service subscribers. The costs associated with the transfer
15 of a bill credit shall include all billing-related expenses.

16 (e) Not more frequently than once per year, and upon providing
17 the electrical corporation with a minimum of 60 days' notice, the
18 local government may elect to change a benefiting account. Any
19 credit resulting from the application of this section earned prior to
20 the change in a benefiting account that has not been used as of the
21 date of the change in the benefiting account, shall be applied, and
22 may only be applied, to a benefiting account as changed.

23 (f) A local government shall provide the electrical corporation
24 to which the eligible renewable generating facility will be
25 interconnected with not less than 60 days' notice prior to the
26 eligible renewable generating facility becoming operational. The
27 electrical corporation shall file an advice letter with the
28 commission, that complies with this section, not later than 30 days
29 after receipt of the notice, proposing a rate tariff for a benefiting
30 account. The commission, within 30 days of the date of filing,
31 shall approve the proposed tariff, or specify conforming changes
32 to be made by the electrical corporation to be filed in a new advice
33 letter.

34 (g) The local government may terminate its election pursuant
35 to subdivision (b), upon providing the electrical corporation with
36 a minimum of 60 days' notice. Should the local government sell
37 its interest in the eligible renewable generating facility, or sell the
38 electricity generated by the eligible renewable generating facility,
39 in a manner other than required by this section, upon the date of
40 either event, and the earliest date if both events occur, no further

1 bill credit pursuant to paragraph (3) of subdivision (b) may be
2 earned. Only credit earned prior to that date shall be made to a
3 benefiting account.

4 (h) An electrical corporation is not obligated to provide a bill
5 credit to a benefiting account that is not designated by a local
6 government prior to the point in time that the combined statewide
7 cumulative rated generating capacity of all eligible renewable
8 generating facilities within the service territories of the state's
9 three largest electrical corporations reaches 250 megawatts. Only
10 those eligible renewable generating facilities that are providing
11 bill credits to benefiting accounts pursuant to this section shall
12 count toward reaching this 250-megawatt limitation. Each electrical
13 corporation shall only be required to offer service or contracts
14 under this section until that electrical corporation reaches its
15 proportionate share of the 250-megawatt limitation based on the
16 ratio of its peak demand to the total statewide peak demand of all
17 electrical corporations.